

Economic Vitality: Responding to our business customers



September 6, 2006

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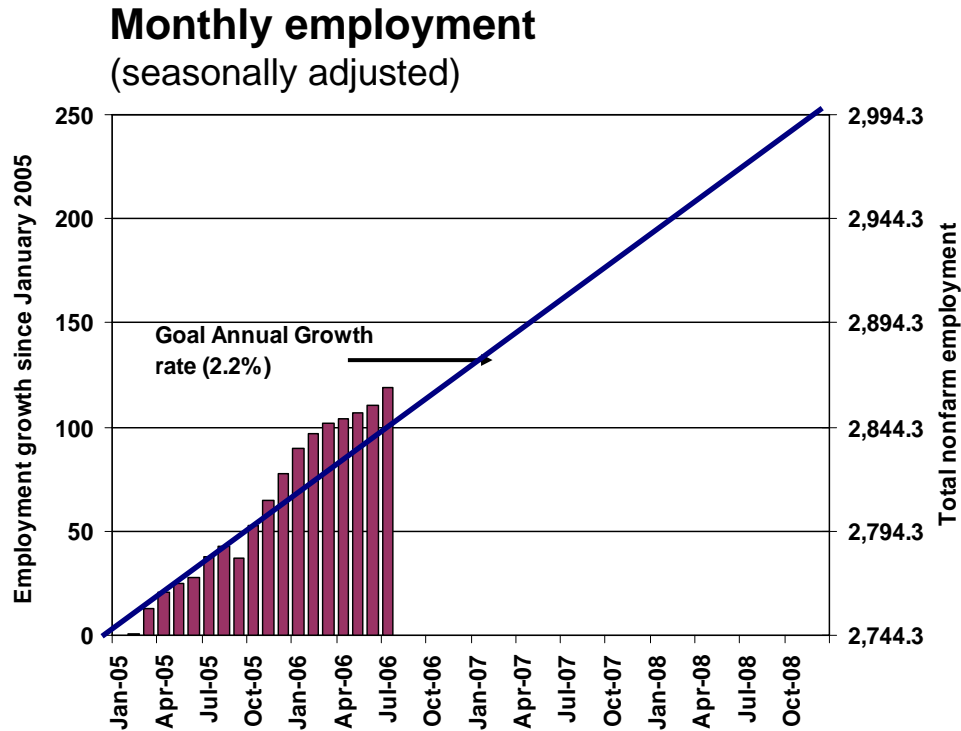
Economic Vitality: Responding to our business customers

Employment

September 6, 2006

Total Nonagricultural Employment

How many jobs have been created in Washington?



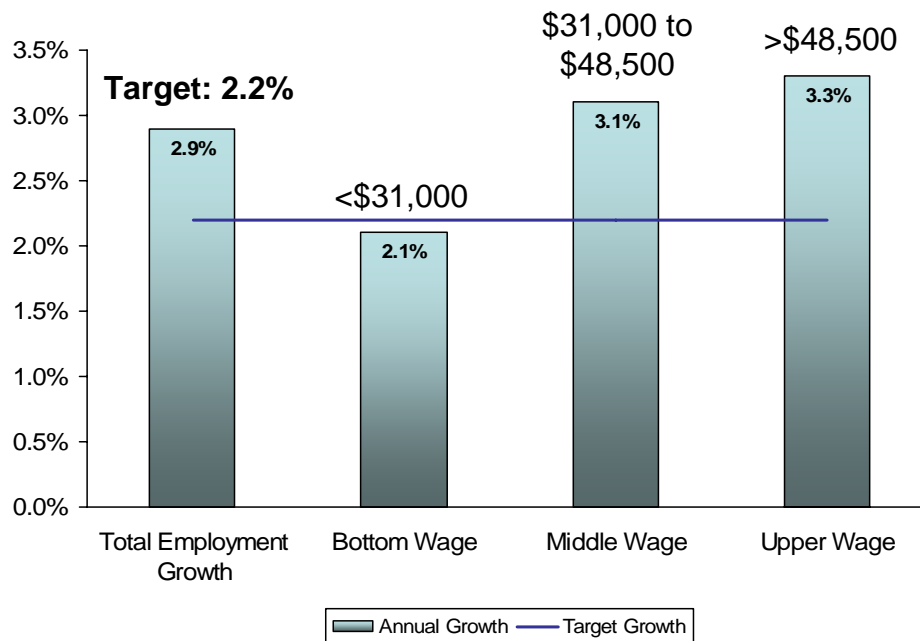
Analysis

- Construction, Professional & Business Services and Manufacturing are the top three growth industries over the past 12 months.
- Employment growth was faster between December 2005 and March 2006; otherwise, growing 0.2 percent per month from 2005 through present.
- Construction employment is likely to moderate based on housing slowdown.

Data Notes: *Total nonagricultural employment is estimated monthly and benchmarked quarterly. Monthly estimates are more timely than quarterly administrative records, but can have larger errors. Monthly estimates also exclude agriculture.*

Employment Growth by Industry Wage Group January 2005 – July 2006

Job growth in industries grouped according to average annual wage



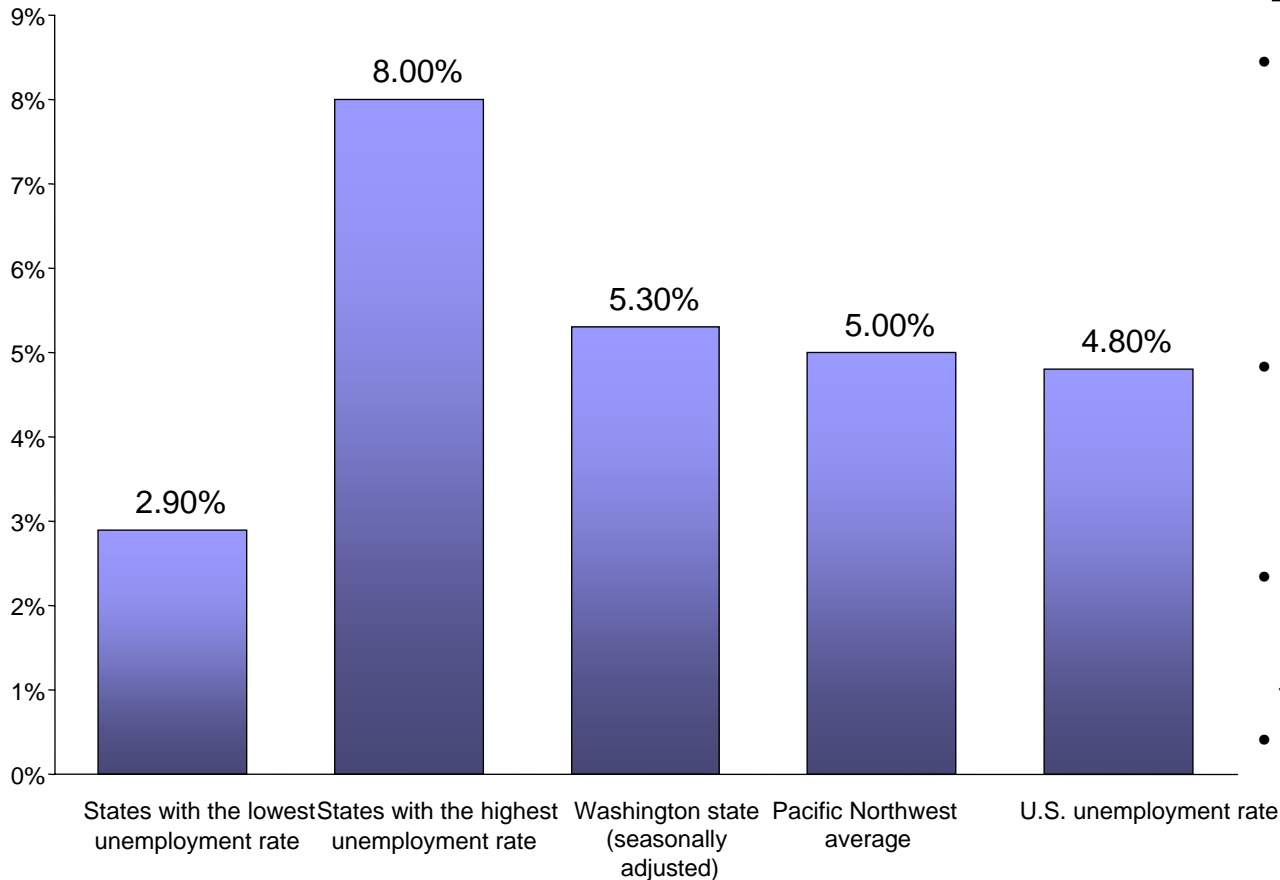
Analysis

- Industries in the bottom wage category added 23,800 jobs; middle-wage industries added 59,000 jobs; and upper-wage industries added 38,300 jobs since January 2005.
- Total employment growth since January 2005 was 121,100.
- Construction (+23,100), manufacturing (+15,500), and administrative services (+13,500) led all industries in employment growth.

Data Notes: *Change in seasonally adjusted non-farm payroll employment shown for industries grouped into thirds by average earnings per employee. Then compared to the goal growth rate (2.2%) necessary to achieve a 250,000 increase in employment between January 2005 and December 2008. More timely than quarterly administrative records, but have larger errors. Industry earnings data not adjusted for part-time or part-year workers.*

Unemployment Rates for Washington and the Nation

Where does Washington rank?



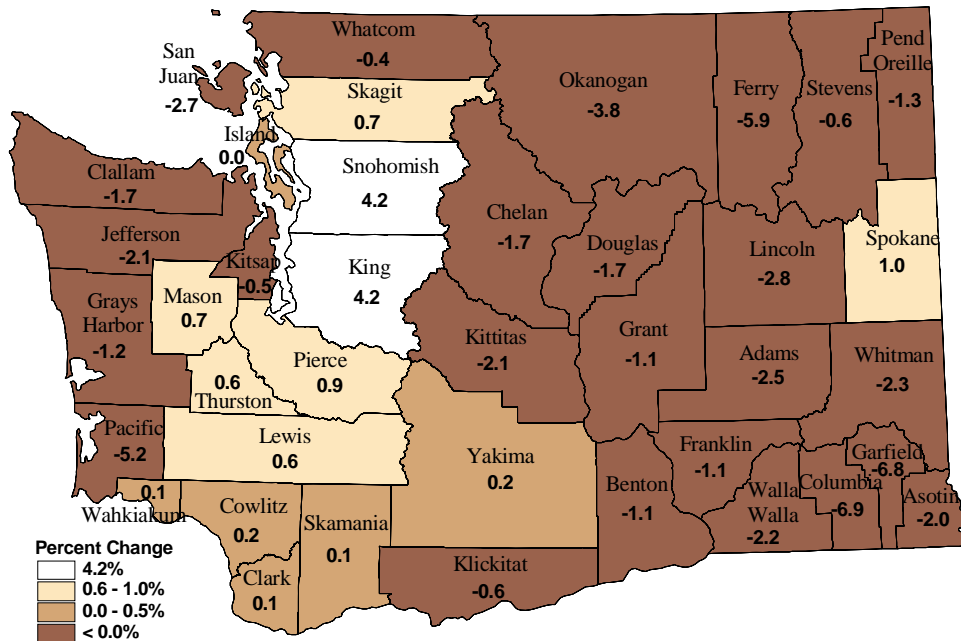
Analysis

- Washington's seasonally adjusted unemployment rate was 5.3 percent in July 2006, higher than Pacific Northwest states (5.0) and the U.S. average (4.8).
- Idaho (3.6) and Montana (3.8) had lower rates; Oregon (5.6) and Alaska (7.0) had higher rates.
- Washington ranked 38th in the nation; 37 states had lower jobless rates.
- In comparison, one year ago we ranked 40th in the nation and were above the Pacific Northwest average.

Data Notes: *Unemployment rates are published monthly by the Bureau of Labor Statistics. The Pacific Northwest grouping includes Oregon, Idaho, Montana, and Alaska. Washington was left out of the calculation for the Pacific Northwest to allow for better regional comparison.*

Annual Employment Growth, July 2005 – July 2006

How much employment change has there been over the year?



Statewide average = 1.7%

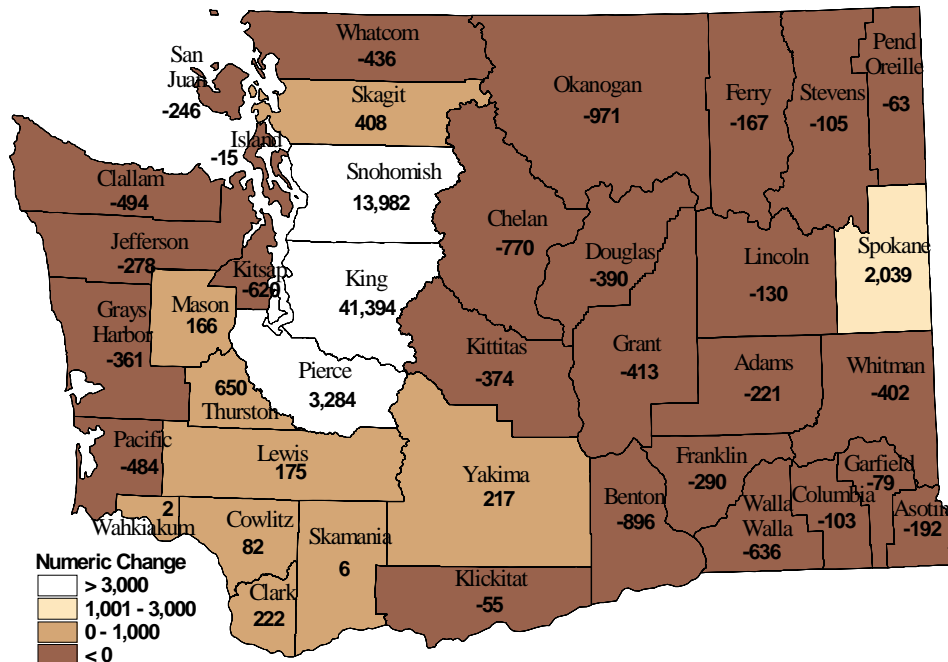
Analysis

- Employment recovery is slowing in rural areas.
- Urban areas, particularly King and Snohomish counties are growing faster than the rest of the state.
- King and Snohomish counties had suffered more deeply than the rest of the state from the recession and the recovery was long in coming.

Data Notes: Annual employment growth by county compares actual county employment growth to the statewide average. County data are subject to larger errors than state data. These data include agricultural employment.

Employment Change, July 2005 – July 2006

How has the number of jobs changed by county over the year?



Analysis:

- Okanogan County employment dropped due to declines in agriculture as well as a major fire at a Colville power plant.
- Rural Western Washington was affected by construction losses in Whatcom County, service sector losses in Clallam and Jefferson Counties, and declines in wood processing in Grays Harbor and Pacific Counties.

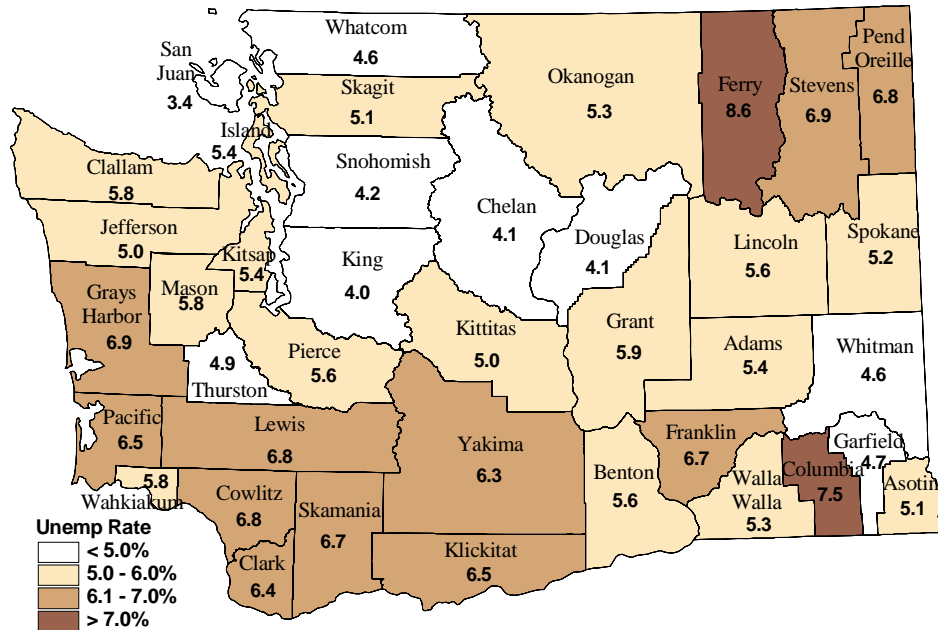
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Unemployment Rates by County, July 2006

How does the current unemployment picture look?

July 2006

(*not* seasonally adjusted)



Washington = 4.9%

Analysis

- The King County unemployment rate is down 2.1 percent since July of 2003.
- Ferry County has the highest current unemployment rate in the state, but it is significantly lower than its July 2003 rate of 12.2 percent.

Data Notes: *County data are subject to larger errors than state data.*